Open House: Tomorrow's homes will pack more features in same space

by Jim Woodard

New homes in future years will remain about the same size, on average, but will vastly change and improve in comfort and sophisticated features. That's the finding of a study recently completed by the National Association of Home Builders.

The pace of changes in new homes will be much faster over the next 10 years than in recent years, and buyers can expect that all homes will be significantly "greener" and more resource-efficient than today, according to the report. There will also be increasing emphasis on universal design and handicapped access.

Most people assume that the average size of homes will continue to grow as it has in past years. Not so, the study revealed. The average home size in 2015 will be in the same range of today's 2,400 square feet, and homes more likely will be two-story rather than one-story structures.

Not surprisingly, kitchens and bathrooms will continue to be the most important factors affecting consumer buying choices and will continue to feature upgraded materials and appliances. The focus on garages will also increase, with more consumers preferring three-car garages. Also, door openings on garages will be larger to accommodate larger vehicles.

Here's a brief profile of the average home in 2015, as projected from the NAHB study:

- It will have just less than 2,400 square feet of living space and will include three bathrooms and four bedrooms. It will have a one-story entry foyer and one-story family room (no loft or volume ceilings).

Exterior walls will be vinyl or fiber cement siding or brick. The home will be equipped with a fiber optic network, programmable thermostat, structured wiring system, and multiline phone system.

Most upscale new homes in 2015 will include more than 4,000 square feet, and will include a two-story entry foyer. The staircase will be in the foyer, and there will be a front porch. It's likely to have a formal living room, or that room may be replaced by a parlor or library.

The upscale home will probably have two master bedroom suites and an outdoor kitchen with grill, sinks, refrigerator and cooking island. It will also have an outdoor fireplace, pool, audio and TV equipment, and special lighting.

The home will have a sophisticated overall lighting control system and monitored burglar, fire and toxic gas alarm system.

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This column recently focused on the newly proposed "suitability standard" requirement for mortgage lenders and brokers. It would require them to evaluate whether a loan product is best suited for the borrower, and to determine what product is suited for individual applicants.

I've had quite a response from mortgage professionals regarding that proposal. Here are a couple of them:

"Responsibility for action is diminishing in our society. People know what they can and can't afford. They are living because of the choices they make. You take consequences away from poor decision-making and you breed weakness and finger-pointing. To hold lenders and brokers accountable for applicants who make poor financial decisions is ludicrous."

Here's another reader quote:

"The Fair Credit Act already requires lenders to meet the suitability clause. If Congress wants to only go after mortgages, then what about car sellers and financiers. You may only need a four-cylinder car, not eight cylinders. The list goes on and on. What about stockbrokers?"

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"Reports of the death of the condominium market are greatly exaggerated," said Bill Donges, CEO of Lane Co., a builder of condos nationwide. "Despite the current slowdown in sales in some markets, condos won't go away because people like them.

"Today's buyers want to live close to work, transportation, entertainment and retail outlets. A great location, a distinct product and a good price are critical to a condominium community's success," he said.

At the height of the housing peak in 2005, condos accounted for nearly half of the 350,000 or so multifamily construction starts produced annually. Two years earlier, the condo share was about 20 percent.

Some of the intense demand for condos over the past three years was driven by speculators in the market, and multifamily developers acknowledge it will take some time for the excess inventory of unsold units to burn off, especially in overbuilt markets on and near both coasts.

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As condo construction retreats, the next wave of multifamily development activity is likely to be in rental apartments, according to a report from the National Association of Home Builders. That will be especially prevalent in markets where the rental supply is particularly tight. Over the past three years, a significant number of rental units have been converted into condo units.

Construction and land cost are up, and that concerns all apartment developers, but especially those trying to build units affordable to working families.

"The increased demand at a time of short supply is driving rents up nationwide," said Steve Patterson, president of ZOM USA, builder and manager of apartment complexes. "Apartments are absolutely back. Demand is up and occupancies are up. The cost of renting compared to buying is at a historic low. There have been rent increases in most markets, but we are only now seeing rents at post-2001 levels. It's all relative."

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